

state how it intends to use the symbol(s), to what it will attach the symbol(s), and the relationship to the specific Act.

(e) The user of the symbol(s) must indemnify and defend the United States and hold it harmless from any claims, suits, losses, and damages from:

(1) Any allegedly unauthorized use of any patent, process, idea, method, or device by the user in connection with its use of the symbol(s), or any other alleged action of the user; and

(2) Any claims, suits, losses, and damages arising from alleged defects in the articles or services associated with the symbol(s).

(f) The appearance of the symbol(s) on projects or products indicates that the manufacturer of the product pays excise taxes in support of the respective Act(s), and that the project was funded under the respective Act(s) (26 U.S.C. 4161, 4162, 4181, 4182, 9503, and 9504). The Service and the Department of the Interior make no representation or endorsement whatsoever by the display of the symbol(s) as to the quality, utility, suitability, or safety of any product, service, or project associated with the symbol(s).

(g) No one may use any of the symbols in any other manner unless the Director or Regional Director authorizes it. Unauthorized use of the symbol(s) is a violation of 18 U.S.C. 701 and subjects the violator to possible fines and imprisonment.

Subpart I—Program Income

§ 80.120 What is program income?

(a) Program income is gross income received by the grantee or subgrantee and earned only as a result of the grant during the grant period.

(b) Program income includes revenue from:

(1) Services performed under a grant;

(2) Use or rental of real or personal property acquired, constructed, or managed with grant funds;

(3) Payments by concessioners or contractors under an arrangement with the agency or subgrantee to provide a service in support of grant objectives on real property acquired, constructed, or managed with grant funds;

(4) Sale of items produced under a grant;

(5) Royalties and license fees for copyrighted material, patents, and inventions developed as a result of a grant; or

(6) Sale of a product of mining, drilling, forestry, or agriculture during the period of a grant that supports the:

(i) Mining, drilling, forestry, or agriculture; or

(ii) Acquisition of the land on which these activities occurred.

(c) Program income does not include:

(1) Interest on grant funds, rebates, credits, discounts, or refunds;

(2) Sales receipts retained by concessioners or contractors under an arrangement with the agency to provide a service in support of grant objectives on real property acquired, constructed, or managed with grant funds;

(3) Cash received by the agency or by volunteer instructors to cover incidental costs of a class for hunter or aquatic-resource education;

(4) Cooperative farming or grazing arrangements as described at § 80.98; or

(5) Proceeds from the sale of real property.

§ 80.121 May an agency earn program income?

A State fish and wildlife agency may earn income from activities incidental to the grant purposes as long as producing income is not a primary purpose. The agency must account for income received from these activities in the project records and dispose of it according to the terms of the grant.

§ 80.122 May an agency deduct the costs of generating program income from gross income?

(a) A State fish and wildlife agency may deduct the costs of generating program income from gross income when it calculates program income as long as the agency does not:

(1) Pay these costs with:

(i) Federal or matching cash under a Federal grant; or

(ii) Federal cash unrelated to a grant.

(2) Cover these costs by accepting:

(i) Matching in-kind contributions for a Federal grant; or

(ii) Donations of services, personal property, or real property unrelated to a Federal grant.

(b) Examples of costs of generating program income that may qualify for deduction from gross income if they are consistent with paragraph (a) of this section are:

(1) Cost of estimating the amount of commercially acceptable timber in a forest and marking it for harvest if the commercial harvest is incidental to a grant-funded habitat-management or facilities-construction project.

(2) Cost of publishing research results as a pamphlet or book for sale if the publication is incidental to a grant-funded research project.

§ 80.123 How may an agency use program income?

(a) A State fish and wildlife agency may choose any of the three methods listed in paragraph (b) of this section for applying program income to Federal and non-Federal outlays. The agency may also use a combination of these methods. The method or methods that the agency chooses will apply to the program income that it earns during the grant period and to the program income that any subgrantee earns during the grant period. The agency must indicate the method that it wants to use in the project statement that it submits with each application for Federal assistance.

(b) The three methods for applying program income to Federal and non-Federal outlays are in the following table:

Method	Requirements for using the method
(1) Deduction	<p>(i) The agency must deduct the program income from total allowable costs to determine the net allowable costs.</p> <p>(ii) The agency must use program income for current costs under the grant unless the Regional Director authorizes otherwise.</p> <p>(iii) If the agency does not indicate the method that it wants to use in the project statement, then it must use the deduction method.</p>
(2) Addition	<p>(i) The agency may add the program income to the Federal and matching funds under the grant.</p> <p>(ii) The agency must use the program income for the purposes of the grant and under the terms of the grant.</p>
(3) Matching	<p>(i) The agency must request the Regional Director's approval in the project statement.</p> <p>(ii) The agency must explain in the project statement how the agency proposes to use the program income, the expected results, and why it is essential to use program income as match.</p> <p>(iii) The Regional Director may approve the use of the matching method if the requirements of paragraph (c) of this section are met.</p>

(c) The Regional Director may approve the use of the matching method if the proposed use of the program income would:

(1) Be consistent with the intent of the applicable Act or Acts; and

(2) Result in at least one of the following:

(i) The agency substitutes program income for at least some of the match that it would otherwise have to provide, and then uses this saved match for other fish or wildlife-related projects;

(ii) The agency substitutes program income for at least some of the apportioned Federal funds, and then uses the saved Federal funds for additional eligible activities under the program; or

(iii) A net benefit to the program.

§ 80.124 How may an agency use unexpended program income?

If a State fish and wildlife agency has unexpended program income on its final Federal financial report, it may use the income under a subsequent grant for any activity eligible for funding in the grant program that generated the income.

§ 80.125 How must an agency treat income that it earns after the grant period?

(a) The State fish and wildlife agency must treat program income that it earns after the grant period as either:

(1) License revenue for the administration of the agency; or

(2) Additional funding for purposes consistent with the grant or the program.